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Foreign and Commonwealth Office

London SW1A 2AH

From The Minister of State

27 April 1989

NBP 057/2

Dear Minister

Thank you for your letter of 25 April about our meeting with David Trefgarne on defence-related exports to Iran and Iraq. It arrived as I was about to send my own summary of our discussion.

When we met we did indeed agree that neither the Rushdie affair nor the Kurdish problem were issues which the guidelines were drawn up to cover, and that the ceasefire had obviously removed some of the concerns which our restrictions on arms exports to Iran and Iraq had been designed to take into account. We also agreed that in present circumstances the guidelines could not be maintained indefinitely. But for the reasons I described - the fragility of the ceasefire while no progress is made in the negotiations, and the importance of not supplying the kind of offensive equipment which might enable or induce either side to renew hostilities - we nevertheless concluded it was not right for the present to withdraw the guidelines; and that it was preferable not to have to announce publicly any change in them. In addition, there are political factors affecting our relations with both Iran and Iraq which I described at our meeting, which we have to take into account in deciding what arms we should and should not supply to each country.

\* Against this background, we agreed that we should continue to interpret the guidelines more flexibly in respect of Iraq, as we have done in practice since the end of last year; but that we should revert to a stricter interpretation for Iran, along the lines which operated before the ceasefire. This would in effect mean that we would not contemplate a major sale of defence equipment to the Iranian Armed Forces. This need not in principle

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preclude all sales to the Iranian Navy or to the IRGC, although in present circumstances I find it extremely difficult to envisage any major exports to these organisations.

The form of words we agreed to use if we are now pressed in Parliament over the guidelines was the following:

"The Guidelines on the export of defence equipment to Iran and Iraq are kept under constant review, and are applied in the light of prevailing circumstances, including the ceasefire and developments in the peace negotiations".

The DTI, MOD and FCO will, however, need to keep in close touch on any public statements. I hope that we can continue our present practice of ensuring that our officials consult each other over answers to Parliamentary Questions.

When we discussed the question of the Hawk project for Iraq, David Trefgarne kindly undertook to ask B&E to arrange a presentation for the three of us, which would be accompanied by a separate MOD briefing by the military experts. Thereafter we shall need to make recommendations to our Secretaries of State.

I am copying this letter to David Trefgarne. I have just received your separate letter on the Phosphorous Pentasulphide plant for Iran, which we shall pursue separately.

Yours sincerely,

*Simon J. A. ...*

Private Secretary to

The Hon William Waldegrave

Signed in his absence

The Hon Alan Clark MP  
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